Responding to the Emotional Impact of Budget and Staff Reductions
Objectives

- Identify realistic expectations for employees
- Prepare for employee’s emotional response
- Increase understanding of the surviving employees’ needs
- Awareness of available resources
People as Resources

- Our competitive strengths come from efficient and effective use of resources by people.

- The application of other resources is dependent on our having strong people on our team who are able to function as a team.
Psychological Contract

- Promise, unspoken of continued employment in exchange for loyalty and hard work
  - Employees learn to depend on the organization for job stability
  - Actual budget and staff reductions are perceived and experienced as breaking the psychological contract
Survivor Syndrome

• Symptoms:
  – Insecure about job
  – Fear of the unknown
  – Mistrust of management
  – Uncertain of skills and abilities
  – Lack of loyalty
  – High stress levels
  – Low self esteem
Survivor Syndrome

- Behaviors:
  - Low productivity
  - Aversion to risk
  - Depressed
  - Increased absenteeism
  - Low morale
  - Loss of pride in the organization
  - Increased resistance to change
  - Acts of sabotage
  - Narrow minded
8 Phases Staff May Experience

- **Stability**
  - Represents the current state, the status quo

- **Immobilization**
  - The initial reaction to a negatively perceived change, often accompanied by an inability to relate to what is happening

- **Denial**
  - An inability to take in change related information because it doesn’t fit into the current frame of reference
8 Phases Staff May Experience

- **Anger**
  - Frustration and hurt, often manifested through irrational, indiscriminate lashing out, usually at those in close emotional proximity

- **Bargaining**
  - People begin to negotiate to avoid the negative impact of change

- **Depression**
  - A normal response to major, negatively perceived change often marked by resignation, feeling victimized, a lack of emotional and physical energy and disengagement from one’s work
8 Phases Staff May Experience

• **Testing**
  – The new conditions are acknowledged, goals are redefined, and ways to succeed within the new framework are explored

• **Acceptance**
  – People are now responding to the change more realistically, even though they still may not like it

—Adapted from *Managing at the Speed of Change* by Daryl Conner
Coping With Losses and Endings

- Identify who is losing what
- Don’t be surprised by overreaction
- Acknowledge the losses openly and sympathetically
- Expect and accept the signs of grieving
Coping With Losses and Endings

- Give people information, and do it again and again
- Define what is over and what isn’t
- Mark the endings
- Treat the past with respect
Keys to Good Listening

• Answer the person’s questions as openly and honestly as possible.

• Sit calm and stay calm, even when the other person raises uncomfortable questions or uses an angry, hostile or suspicious tone.

• Listen patiently and be reassuring.
Keys to Good Listening

- Be present and attentive - or explain if you aren’t able to pay full attention
- Listen for feelings as well as content
- Reflect back what you are hearing
Keys to Good Listening

- Use non-verbal listening responses to show your interest and empathy
- Ask questions to clarify what you are unsure about or don’t understand
- Ask open-ended questions to encourage further discussion and explanation
Normalize Response to Change

- Increase your understanding of what to expect so that you are prepared
- Use your listening skills
- Be prepared to offer resources if needed
How to Offer Ownership of Change to Others

• Inform people in advance so they will have time to think about the implications of the change

• Explain the overall objectives of the change—the reasons for it and how and when it will occur
How to Offer Ownership of Change to Others

• Be honest with the employees who may lose out as a result of the change. If possible alert them early and provide assistance to help them find another job if necessary

• Ask those who will be affected by the change to participate in the change process
How to Offer Ownership of Change to Others

- Keep communication channels open. Provide opportunities for employees to discuss the change. Encourage questions, comments and other feedback

- Be flexible throughout the change process. Admit mistakes and make adjustments where appropriate
How to Offer Ownership of Change to Others

- Demonstrate your commitment to the change. Indicate your confidence in their ability to implement the change.

- Provide assistance, recognition and appreciation to those implementing the change.
The Way to Be in the Midst of the Change

- Be *knowledgeable* about the change process
- Be *understanding* of the impact of change
- Be *clear* and *frequent* in your communications
The Way to Be in the Midst of the Change

- Be *open* and *invite input* from those affected by the change
- Be *realistic* in your expectations
- Be *supportive* in your feedback
- Be *firm, yet gentle* in the exercise of your authority
Check Us Out

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Helping People Is Our Business